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I. GENERAL INFORMATION

JINGJI YANJIU ASSESSES HOUSEHOLD ECONOMY

HK090536 Beijing JINGJI YANJIU in Chinese No 6, 20 Jun 83 pp 43-51

[Article by Zhang Yulin [1728 7183 2651] of the Sociology Department of the Chinese Academy of Social Sciences, and Yang Chengxun [2799 2110 6064] and Guo Xiping [6753 6007 5493] of the Economics Department of the Hunan Provincial Academy of Social Sciences: "On the Household Economy in China's Socialist Agriculture"--dated January 1983]

[Text] In our country's collective agriculture, the commune household contracting system has already become the dominant form of economic management. On this basis, a great number of specialized and key households have sprung up; and in their combination at various levels and in various forms, their contract system, and their linkage with the state-run and collective economies, they have displayed great vitality. This development of the production responsibility system has thrown up several important topics for our investigation: Does commune household production still possess great potential? Can it be called a commune household economy? What is its nature? In this article, we will put forward certain opinions on these questions.

The Characteristics and Nature of the New-Type Household Economy

In household economy is an historical category. It was created thousands of years ago, and its continued existence has depended on many different forms of production and many changes in the conditions of its life and its economic substance. There exists one school of thought which is of the opinion that the household economy is an individual economy under the small private ownership system, and as such its characteristics are as follows: Production is carried out individually, the means of production are individually owned, and products are controlled by the individual. From this point of view, and taking into consideration the realities of our country's agricultural production responsibility system, it is considered that the "commune household economy" means individual economic management carried out within the household by rural commune members over and above the tasks set then by the collective and with their own means of production. This definition in fact does nothing more than to indicate ordinary "household sideline production" (even if, as in some cases, this has become the "main production"). In our opinion, this view fails to conform entirely not only with the facts of history, but with present-day reality.

True, the household as a socioeconomic unit came into existence at the same time as the private ownership of land, and for a long period of history was involved in individual agricultural and handicraft production, but we can by no means consider that, therefore, the household economy under any form of production consists purely of individual production, ownership and distribution. Over a long period of history, it underwent all sorts of changes, and possessed different characteristics in different historical stages:

1. During the patriarchal era, the small, husband-and-wife household economic system began to be subordinate to the communal system of ownership of the clan, so that the communal clan economy became dominant, and the small household economy supplementary; that is, apart from the collective production and distribution of the large clan, the small household still engaged in its own small production and possessed its own private wealth. As the forces of production developed, the small household economy moved into the dominant position, but the communal, big-clan economy was still maintained.

2. In the individual household economy of the common people under the slave system, conditions in different countries varied widely; in some, the individual economy was entirely independent, while in others it was still connected with the remnants of some form of communal ownership system (like the primitive rural commune). There were also some artisans and peddlers who, though they themselves engaged in individual production, the members of their families took no part in their production or management, so they could not be included in the household economy.

3. The household economy which obtained among the serfs, artisans, and peasants under the feudal system, was connected with the feudal system of land ownership. Apart from owner-peasants and artisans, the household economy of the majority of peasants was not one in which they owned all of the means of production; most of the land they farmed did not belong to them; and they did not have complete control over what they produced. This characteristic was most pronounced among tenant farmers and poor peasants. There were also some countries (for instance Russia and other Slavic countries) in which the peasant household economy was connected with certain communal ownership systems of rural communes (Marx) [Ma er Ke: 7456 3643 0344], even to the extent that the land cultivated, and the major means of production, belonged not to the peasant households but to the commune.

4. The household economy or household labor under the capitalist system. Apart from independent small commodity production (peasant households and artisans), there was also a "household labor system" under which peasants or artisans obtained materials and tools from the capitalists, goods were produced in the home by the household members, and all the products thus produced were handed over to the capitalists. "This form existed alongside factory production and even heavy industry (and existed on a large scale). It can be seen that capitalist household labor existed in all stages of industrial capitalist development, and was the most salient feature of workshop handicraft industry." (1) Right up until the present era, much of this sort of household industry continued to exist in certain industries in many countries (for example, in the watchmaking industry). This dispersed household labor, like

factory labor, was under capitalist exploitation. "They were in fact semi-hired laborers working at home." (2) Apart from this, a great number of household farms still exist in connection with large-scale production in the vast majority of capitalist countries.

5. "The household handicraft industry in the agricultural sector of state socialist big-scale production" (3) was one form of household economy defined by Stalin in his exposition of Lenin's cooperative system plan. According to the argument put forward in Lenin's essay "On the Cooperative System" as long as the means of mass production, the lifelines of the national economy, belonged to the proletariat through the state ownership system, and land was publicly owned, then cooperatives belonged to the socialist economy. Stalin used the flax production cooperatives as an illustration of the way in which the cooperative provided the peasants with production tools and seeds, which were processed in the peasant households, and resold to the cooperative. This was precisely what he meant by "the household handicraft industry in the agricultural sector of state socialist large-scale production," which was different from the "household handicraft system under capitalism." Only later, with the implementation of total cooperativization and the establishment of cooperative villages, did there appear commune household sideline industries attached to the collective economy.

To sum up the above, the household economy already existed in five different forms of society, but within each one it took on different concrete forms. It is by no means the case that all of these forms of household economy consisted of individual production carried out in isolation, neither were they all under an individual, small private ownership system, and so not always were all products distributed by the household itself. From this can be seen that to equate the household economy entirely with the individual economy does not conform to the fact of history up to the present day. We consider the main characteristics of the household economy to be as follows: the laborers' household acts as the production and economic management unit; the laborers and their household members act as the basic labor force; and the economic form is small-scale and dispersed. Its primitive form was built on the basis of the individual economy, and when it combined with other systems of ownership (generally speaking those systems of ownership in the dominant position in any given society), the individual economy continued to be a key element. But it did not predominate at all times. As to the specific economic forms of its component parts and structures, these should be analyzed specifically, and we should not apply a set pattern to all of them.

Now, it is appropriate for us to use a concept such as the commune household economy to epitomize the production and economic management carried out in households under the contracted responsibility system within our country's rural collective economy? We think so. Because under the contracted responsibility system, the commune household acts as a relatively independent unit of production and economic management, with the laborers and their household members engaging in labor, and carrying out small-scale, dispersed economic management under the big collective. It is not the same as individual peasant households based on small private ownership, nor does it consist merely of household sideline industry carried out in addition to collective production;

it also includes collective production tasks contracted for by the household. In commune households, these two activities form a single entity. It is unscientific to discount the latter part of production from the household economy. This is a new type of household economy formed on the basis of the best aspects of the old form of household economy. It has the following specific characteristics:

1. Dual internal and external structures. Its dual internal structure means that its production and economic management are made up of two parts; one part consists of the collective task it has undertaken, and the other is household sideline production belonging purely to the household. The production and economic management of these two sets of products is integrated in one household; that is, the household carries out unified planning, unified deployment of labor, unified use of funds, tools, and raw materials, unified accounting, and unified arrangement of products. In many areas at present, the ratio between products produced by collective contracted production and those produced in household sideline industries, calculated according to product value, is about 2:1 or 3:1. Calculated on net household income, it is roughly 6:4. According to materials produced from a survey of key households over the whole country in 1981, the ratio between collective distribution and household sideline production income was 58:42. A survey we conducted of Xiaotan commune in Yanjin County, Henan Province, revealed that this ratio among the commune's households was 57.1:42.9. If we take into account the price factor, income from collective distribution actually accounted for 60 percent or more of total income. From the point of view of developmental trends, the proportion occupied in total income by sideline production has the possibility of increasing. This is a comparison of quantity. However, even more important is quality. Cultivation, with grain growing as the main, forms the basis for the existence of all rural industries, and the growing of grain and other important crops form the tasks undertaken by the households for the collective. Therefore, collective production and distribution under the household contracting system remains the basis of commune household economy.

The external structure refers to the relations of the household economy with the collective economy. With the introduction of the contract system, there formed within agricultural production two production and economic management entities: one is the collective unit (the production team, brigade, or other forms, such as specialized companies, free combinations, and so on), and the other is the commune household. The collective unit is responsible for the unified leadership, direction, and administration of the entire production and economic management, and also carries out production and economic management of those things which the commune households are not capable of handling, thus serving the contractors. The commune households, on the other hand, act as the contracting unit which is part of the collective economy, and as such carry out all the production and economic management they are capable of; their income and their economic results are directly connected. The former is an organic whole, while the latter forms the cell of that organic whole, like a small workshop in a large enterprise. If we say that the peasant households of the past were isolated from each other, then the present day household economies under the household contract system can be said to be linked organically to each other.

2. The public ownership of the basic means of production is the main basis, and distribution according to work is the main source of income.

The ownership of the means of production is the fundamental basis on which the nature of different economic forms is decided. The system of ownership forming the basis of the new-type household economy is of two kinds--the public ownership system, and the private ownership system. Here we must make a specific quantitative and qualitative analysis. Qualitatively, we must make a distinction between the basic means of production and the supplementary means of production, while quantitatively we must differentiate between the primary and secondary component parts.

In agriculture, the most basic means of production is land; without land, there can be no agriculture. In a country such as ours, with many people and little land, cultivable land is even more priceless. At present, the right of ownership over all the land used by commune households, including private plots and housing sites, belongs to the collective. This point has decisive significance. Apart from this there are water conservancy facilities, large-scale agricultural machinery, transmission lines, and so on, which are also part of the basic means of production, and which are playing an increasingly important function in agricultural production. These things are also under the system of ownership of the whole people or the collective. Commune households also possess some means of production, which are basically supplementary, with only the farm animals being relatively important. But commune members often rear livestock for two reasons; one is for use as farm animals, the other is for selling as commodity animals; they are both means (tools) of production, and the object of labor. The livestock of some production teams is raised and owned by the collective. As for small agricultural tools, they have always belonged to the commune members. Apart from this, there is only investment in fertilizer and pesticides. Added together, these things form only a small part of the total means of production. According to our survey of Xiaotan commune in Yanjin County, the proportions are roughly as follows:

Type of Production Team	Percentage Collective Land (estimate)	Percentage of Collective Fixed Assets	Percentage of Tools and Animals Owned by the Commune Members
13 unified management overall contract teams	78.8	17.0	1.7
7 dispersed management overall	87.7	4.8	4.8

Type of Production Team	Percentage of Individual Investment in Fertilizer, Pesticides, Etc.	Ratio between Public and Private Ownership of Means of Production
13 unified management overall contract teams	2.5	95.8:4.2
7 dispersed management overall contract teams	2.7	92.5:7.5

(Estimates of the amount of collectively owned cultivable land are calculated roughly according to state land tax regulations: land tax value equals average output over 3 years multiplied by 20 (or 15))

We can see from the table that whatever form of contracting is used, the commune members never own more than 10 percent of the total value of the means of production; we can see that the main basis is still the public ownership system. As for the means of subsistence, 60 percent, or thereabouts, is provided by income from collective distribution, while about 40 percent comes from household sideline industries. The principle for collective distribution is: "Hand over what belongs to the state, retain the collective's share, and what is left goes to the individual." This conforms to the essential spirit of Marx' words on distribution according to labor: "Each producer, after all deductions have been made, receives from society exactly what he has put into it." (4) Moreover, income distributed by the collective provides the most basic means of livelihood. Therefore, the main income of the new-type household economy is gained on the basis of distribution according to labor.

3. Household production is no longer wholly "isolated labor," but is intimately connected with certain large-scale social production, and one of the links in the chain of collective production.

In the past, the small peasant household economy, which was typically based on the private ownership of land, "did not consist of social labor, but isolated labor"; "it was generally a question of an independent laborer working in isolation, producing along with the members of his family the means of their own subsistence." (5) Nowadays, the contracted part of the commune household economy is a component part of collective production, and is linked with the use of large-scale agricultural machinery and electricity directly controlled by the collective, and other such means of socialized mass production. Household sideline industry is also connected in various ways to the means of mass production.

From the above analysis, we may see the commune household economy under the overall contract system as an economy of two kinds. The collective part of socialism occupies the dominant position, along with the macroeconomic interaction between the socialist planned economy and the unified market. This new-type household economy belongs to the socialist economy, or in other words, the form of the household economy has been adopted as part of the contents of

the collective economy, with the factor of the individual economy as a supplement.

Specialized households are a new form which has appeared as a result of the division of labor following the introduction of the collective economy, looking at it from the point of view of the development of the forms of production, the specialized household is a higher form of the small "self-sufficient" peasant household. But its nature is basically the same as that of the commune household economy; it is just that the individual economic factor is greater, and conditions are more complex. Roughly speaking, there are three specific forms: 1) Contracting for a specialized collective team (specialized contracting), in which the collective provides land, fertilizer, forest farms, equipment, funds, and other means of production (such as fodder, young stock and fowl, and so on), while a fixed quota of the finished product is handed over to the higher authorities, and the rest is kept by the household. This is a form of management belonging to the collective economy.

2) Commune members running their own undertakings, with the aid of the collective, and at the same time signing contracts for the cultivation of land (at least of grain ration fields); in distribution, a certain amount of profits are handed over to the collective. In this form, the individual economic factor has increased, but it still has the collective economy as its basis or relies upon it. Some households have formed economic combinations.

3) Leaving production teams entirely, and engaging in independent management and being subject to state restrictions only in the macroeconomic sphere.

These are rural individual management households, but they differ from the individual economy of the past in that they still form a supplement to the socialist economy. If they are brought into the socialist economy through pre- and post-production supply and marketing (as in the case of supply and marketing cooperatives), then in the sphere of circulation they are brought into the collective economy, and therefore belong to the socialist economy. In his work "On the Cooperative System, Lenin gave a brilliant exposition of the following principle: as long as "private trade" is brought into "the circulation of cooperatives," and is subject to the control and supervision of the state, then it is part of the socialist economy.

The Objective Necessity of the Creation and Existence of the New-Type Household Economy

Comrade Zhao Ziyang once said: By now, over 70 percent of the countryside has adopted the household production responsibility system under the unified leadership and administration of the production teams. This is a form which combines the superior features of the collective economy with the initiative of the peasants in production and management; it conforms with the characteristics and needs of our country's large population and scarce cultivable land, and its intensive farming methods; and it can be said that the rural areas of China have found a good way of developing production. (5) How is it that the new-type household economy has flourished so vigorously, independent of man's will? We can make an analysis on three levels: the general characteristics of agriculture, the characteristics of organic agriculture based on manual labor, and the characteristics of China's agriculture in the present stage.

1. The form in which production is organized and management conducted is not decided purely by the level of development of the tools of production, but is also closely linked to the nature of the object of production. The objects of agricultural production are live animals and plants. Natural reproduction in agriculture means that agriculture is regional, scattered, seasonal, and unstable, and therefore requires that production and management are highly dynamic; measures must be suited to local conditions and specific periods of time, and at certain times lively emergency measures must be adopted in management and administration. In this way, the special nature of agriculture dictates that agricultural laborers must be given even more independence than industrial workers in the process of production. Labor should be organized in small groups, the benefits of each of the members of the same group should be the same, and their relations should be closed. Production policies and decisions should be flexible and dynamic. Obviously, under present day conditions, to use the household as the unit of daily production conforms relatively closely to the above demands. The household economic form continues to exist in capitalist countries in which the forces of production are highly developed; this cannot be unrelated to the above characteristics of agricultural production.

2. Agricultural production based on manual labor has for thousands of years formed the basis of small household economy. As long ago as the latter period of primitive society, during the patriarchal era, the household, characterized by small private ownership, became the basic unit of agricultural management. Later, "this dispersed form of individual production became the economic basis of feudal domination." (7) For a long period following the establishment of the capitalist system, the owner-peasant household economy "became one of the forms produced by the disintegration of the feudal system of land ownership. English owner-peasants, Swedish peasant ranks, and French and Western German peasants, all belonged to this category." (8) Right up until the eve of the October Revolution, the peasant economy was dominant in Russia. This is related to the fact that the manual labor production form in its agriculture was even more scattered and independent. Another characteristic of agriculture is that its production period is different from its labor period, the former being longer than the latter. The peasants must and can use slack periods in agriculture, and other periods of free time, to engage in other forms of manual labor; this forms the natural basis of the linkage between agriculture and rural sideline industries. And the peasant households' integrated management (the so-called "small but all-embracing" form) is, on the one hand, the natural requirement of organic agriculture itself; the transformation of all the different living things and energies involved in cultivation demands the formation of an integrated system linking cultivation and animal-rearing, and linking the different crops raised within the task of cultivation; and on the other hand, it is an advantage of this agricultural form, in that it is able to make full use of complete, partial and supplementary labor force, and of labor time. Precisely because of this, in the thousands of long years of history, "In India and China, the unity of small-scale agriculture and household industries formed a broad based production form." (9) Moreover, this unity of agriculture and household sideline industry still has vitality, and will not die out quickly.

3. Our agriculture at the present stage is not merely a combination of traditional agriculture and sideline industry, but has new, special characteristics peculiar to China. These are reflected in two aspects: First, certain modernized production methods are beginning to be combined with traditional manual methods. Agricultural production is no longer wholly manual (in most areas), but has large quantities of water conservancy facilities, irrigation and drainage machinery, agricultural machinery, a certain amount of mechanical power, and more and more chemical fertilizers, while advanced agricultural science and technology is gradually being spread. There are now also some information networks (such as atmospheric forecasting and so on). But in the entire process of production, much of the work relies on manual labor. Our survey of Xiaotan commune showed that in work in the fields, the ratio between manual labor and mechanized force was 93:7. If we add water conservancy and irrigation, transport and communications, and processing of agricultural and sideline products, the proportion of mechanized operation rises to 15 percent or so, or at the most 20 percent. Data on Jinhua Prefecture in Zhejiang Province, the highest ratio of mechanized operation was 40 percent. Second, cultivable land is scarce, the population is big, and so the labor force is large. The average amount of cultivable land per person is only just over 1 mu, and every agricultural laborer only has something over 10 mu. We cannot copy indiscriminately the model of some countries, which practice large-scale extensive management and have a single management form. From the point of view of our agricultural areas, we must make a lot out of a small piece of land, do everything possible to raise the per-unit yield, and develop crop management. For this purpose, we must on the one hand introduce modern, advanced technology, and on the other continue our tradition of intensive, meticulous cultivation, combining specialized division of labor with integrated management.

Based on the above characteristics, our agriculture at the present stage must make further use of the small-scale management of the household economy, make use of its adaptability to many areas, its dynamism, and its synthetic nature of combining animal husbandry, sideline industry, and cultivation. We must develop labor-intensive, knowledge-intensive, organic agriculture. However, the new-type household economy does not consist of the traditional, complete household production and economy, but is small production combined with large-scale production and receiving distribution from it; it is not what Marx referred to as "a social form excluding the development of society's forces of labor and production...and the use of large-scale animal rearing, and the constant spread of science." (10) He was talking about the small land ownership system, whereas the new household economy has retained what is good about the traditional household economy, and has nourished itself with bit production and science and technology. Precisely because of this, it must take the collective economy as its basis and exist as a link in the collective economic system. At the present stage, this sort of household economy has the following three outstanding advantages:

1. It combines organically two types of cooperation; large-scale collective cooperation, and small-scale, household cooperation. This organic combination enables it to give play to the function of modern production tools and large-scale water conservancy facilities, and to make use of the

advantages of traditional organic agriculture and to bring into play the advantages of ample labor force, in line with the special demands of our country's agriculture. Flexible cooperation within a small scope makes it easier to adapt to the seasonal nature of agriculture, changeable natural conditions, and the difference between production time and labor time, and to make full use of all types of labor force, labor methods, and labor time, and develop an integrated type of agriculture. Facts over many years have proved that in certain jobs, collective management is not as good as household management, the breeding of domestic animals and fowl being one striking example. At present, the bulk of our commodity meat and eggs is supplied by commune households. Taking Henan as an example, commune households provide over 96 percent of the pork, 96 percent of the mutton, and 99 percent of the fowl. According to national statistics from a survey conducted over 15,914 commune households in 1980, of the income from sideline industries, 49.9 percent came from animal husbandry, 28.8 percent from agricultural products, 9.8 percent from labor jobs, 7.3 percent from pork and fish, and 4.2 percent from handicrafts. This shows that cooperation within the household has great potential, and if used well, greatly benefits the development of diversified management.

2. It directly combines laborers with the means of production, and directly links the results of labor with its rewards. This is a problem long left unsolved in our country's collective agricultural economy, and the indiscriminate copying of the Soviet model of collective villages resulted in serious malpractices. Because of this, the initiative of the peasants was never fully aroused, and economic results from agriculture were relatively poor. But since the introduction of the responsibility system, economic results have shown some improvement; in 1981, the net income from every 100 yuan spent reached 218.4 yuan. Production costs made up 34.9 percent of gross income in 1978, but by 1981 this percentage had fallen to 31.4.

3. It combines organic production tasks contracted for with the collective with household sideline industries to form a unified whole, providing a relatively good solution to the old contradiction between private plots and collective land, and that between household work and work for the production team. A few years ago, the yield from rural private plots was several times, and sometimes 10 times higher than that of the big collective fields; sideline production engaged in by commune members affected collective production, and though we shouted "put the labor force back in the fields" for several years, the more we shouted, the more workers left the fields to engage in sideline industry. Some places used the method of "grain ration fields," giving the peasants some outlying pieces of land to plant, with the result that those barren pieces of land became rich, and the good collective land deteriorated. As soon as the contract system was introduced, the fields contracted for improved. The commune members no longer differentiated between private and collective land, so soil fertility universally improved. Sideline industries and agricultural production no longer fought with each other for labor force and fertilizer, but on the contrary began to promote each other.

Prospects for the Future Development of the New-Type Household Economy and Problems Which Should be Given Attention

The new form of peasant household economy with the collective economy as its main basis is a historical category, and a transitory form. How long will it last? This will be decided by the progress of the development of agricultural productive forces and the extent to which it adapts to the modernization of agriculture. From present indications already apparent, with proper guidance, it will be beneficial to the modernization of agriculture with Chinese characteristics; that is, to the achievement of organic, small-scale, labor intensive, knowledge-intensive agriculture based on a high per-unit yield, and of organic, large-scale agriculture with a high degree of integration, both in breadth and depth. In the next few decades, the various forms of household contracting will be widely used, and all the different sorts of specialized households and economic integrations will give play to their great potential.

From the point of view of the development of the social division of labor, there are two broad tendencies. Agricultural households undertaking the cultivation of big fields will gradually decrease in number, but will continue to form the majority of a considerable time to come. They will have agriculture as their base, involve themselves in other industries at the same time, and experience overall development, but their circumstances will undergo two changes: First, their dependence on socialized mass production will grow. Cultivation, irrigation, crop protection, breeding, threshing, feed grinding and processing, and so on, will be undertaken by the collective, in terms of management and funds, and commune households will be responsible mainly for taking care of the fields, small-scale management, and other production tasks which rely on manual labor. Second, as agricultural regions become more defined, and each region engaged in a major form of production or management, household production will become more specialized. But looking at our national conditions, it will not be possible for the majority of our peasant households to engage in one single line of production only, because agriculture cannot be entirely separated from animal husbandry, and neither can the various crops be separated from each other in cultivation; production must be carried out in accordance with the laws and demands of the natural balance. At the same time, total specialization could result in a part of the labor force becoming completely redundant after a long period of time. Therefore, it will not be possible for a fairly long period of time to eliminate the "small but all-embracing" nature of peasant household management, though in fact the substance of this "small but all-embracing" quality will change constantly. Past practice has repeatedly told us that the premature elimination of the form of household economy from our country's agriculture is of no benefit to the development of production; we must not rush blindly to eliminate it, but should act according to whether it is beneficial to production or not. The important thing is to establish all sorts of modern, specialized companies to service them, so as to gradually increase the extent of their socialization and modernization. The other tendency is that more and more households will become involved in certain specialized industries of diversified management, such as the fodder industry, fishery, forestry, handicrafts, commerce, transportation, and service industries, key households will become specialized

households, but the majority will not separate themselves entirely from agriculture. These specialized households will begin by contracting with the collective for certain tasks, receiving aid from the collective, and carrying out individual management, and will then gradually begin to combine with each other. This may be small-scale, voluntary combination by specialized households, or integrated cooperatives may be formed with the village supply and marketing cooperative or a collective enterprises as the backbone. First, pre- and post-production supply and marketing tasks will be organized, and then socialized production will gradually be developed using various forms. Such an integrated cooperative may bring in the former type of household. In this way, an interlocking, cooperative economic system will be formed all over the country, with cities as the centers, the state-run economy as the mainstay, the collective economy in diversified forms as the base, and the individual economy as the supplement, and integrated organizations in the sphere of circulation will become the [word indistinct] of the whole system.

Of course, in the process of the existence and development of the household economy, attention must be paid to its characteristic of quality. It has both the nature of the collective economy, and the component of the individual economy. Even that part of it which undertakes to do a certain task for the collective, because it is under the unified management of the household, remains relatively independent from the large body of the collective economy, and acts as a commodity producer; therefore, it is subject to both centripetal and centrifugal force in relation to the collective. The peasants are bound to show some spontaneity, with regard to the state plan, the unified socialist market, and the collective economy. Though this is not the dominant factor, it cannot be ignored in our guiding ideology or our concrete work. For this reason, we must strengthen ideological work among the peasants, and help them to overcome their narrow and backward consciousness, and deal correctly with the relationship between the state, the collective, and the individual. At the same time, administrative work should keep up with this, and deal properly with the relations between centralization and decentralization; and according to the needs of the development of production, it should gradually increase the meaning of large-scale production directly in the hands of the collective, and use the economic levers of price, credit, and so on, to guide household management and production, and bring it onto the track of the entire national economy.

FOOTNOTES

1. Lenin, "The Development of Capitalism in Russia," "Complete Works of Lenin," Vol 3, pp 398-399.
2. Stalin: "On the Foundations of Leninism," "Selected Works of Stalin," Vol 1, p 235
3. Ibid.

4. Marx: "Critique of the Gotha Program," "Selected Works of Marx and Engels," Vol 3, pp 10-11.
5. Marx: "Das Kapital," Vol 3, People's Publishing House 1975 Edition, pp 916,909.
6. RENMIN RIBAO 1 Sep 82.
7. Mao Zedong: "Get Organized" "Selected Works of Mao Zedong," Vol 3, People's Publishing House 1966 Edition, p 885.
8. Marx: "Das Kapital," Vol 3, p 090.
9. Marx: "Das Kapital," Vol 3, p 373.
10. Marx: "Das Kapital," Vol 3, p 910.

CSO: 4007/198

BANKS, CREDIT COOPERATIVES LIFT RURAL PRODUCTION

HK281417 Beijing JINGJI RIBAO in Chinese 13 Jun 83 p 2

['Economic Work Review': "A New Situation Has Emerged in Rural Financial Work"]

[Text] Since the 3d Plenary Session of the 11th CPC Central Committee, under the excellent situation in which the rural economy is thriving and vigorously developing, a new situation has emerged in rural financial work.

Following the all-round development of the rural economy, the amount of deposits and loans has increased to a great extent in the countryside. By the end of 1982, agricultural banks and credit cooperatives in the rural areas of the country had absorbed savings accounts and deposits amounting to 20.2 billion yuan, an increase of 21 billion yuan--nearly 300 percent--over 1978. Savings accounts and deposits increased by 5.25 billion yuan per year. During the 10 years of turmoil, savings accounts in rural areas only increased by 200 million yuan a year. Since 1979, the amount of various deposits in rural areas has increased by 4.5 billion yuan over the increase in loans. The situation in which the amount of loans in rural areas exceeded that of deposits which prevailed before the convention of the 3d Plenary Session of the 11th CPC Central Committee, has been fundamentally changed. This has basically met the needs of the rural economic development by accumulating funds in rural areas. In 1982, agricultural loans amounted to 39 billion yuan, an increase of 15.4 billion yuan--113 percent--over 1978.

In recent years, following the readjustment of the agricultural economic structure, a relative change has also taken place in the composition of agricultural loans. Agricultural banks and credit cooperatives in various localities, which merely gave support to cultivation in the past, have now given support to the development of farming, forestry, animal husbandry, sideline production, fishery, agriculture, industry, commerce, communications, and service trades in an all-round way. In 1982, the proportion of agricultural loans for diversified economy in rural areas rose from about 20 percent before 1978, to 50 percent. With the implementation of the policy, "We should tightly grasp grain production and vigorously develop diversified economy," marked economic results have been achieved in rural economy and rural loans, fewer funds earmarked for agricultural loans remained unused in the banks, and the circulation of funds has been accelerated. By the end of 1982, the

repayment rate of loans in rural areas reached 97.3 percent, including a rise from 70 percent in the past to 88.5 percent in repayment rate of loans to commune and brigade collectives and commune members.

There have been marked changes in the matter of to whom the loans are granted since the system of contracted responsibilities on the household basis with payment linked to output has been popularized and stabilized. In the past, the agricultural banks and credit cooperatives granted loans mainly to over 6 million commune and brigade collectives. Now they are geared to the needs of up to 100 million households contracting in specialized jobs, specialized households and households doing specialized jobs. Therefore, the work of providing loans and accounting in rural areas has greatly increased. In order to meet the needs of the development of the objective situation, various rural financial departments have actively expanded the network of credit cooperatives and done their best to restore the work of establishing ties in villages to serve peasant households directly. In accordance with the financial needs of "peasant households who follow the system of contracted responsibility on a household basis," specialized peasant households, and key peasant households in developing production, these departments have simplified loan procedures by verifying loans once and issuing them in stages. This is warmly welcomed by the peasants.

In the past, various rural agricultural banks and credit cooperatives only gave support to cardinal links in production. Now, they give support instead to the comprehensive process of agricultural production including various links such as production, distribution, exchange, and consumption. By making use of credit as a lever, they maintain the balance of production, supply, and marketing in rural areas and help the peasants to solve difficult issues in "buying and selling." For example, Shandong Province reaped bumper harvests of cotton for years running. There was too large a quantity of cotton to be purchased by the supply and marketing cooperatives, or to be stored and processed and transported to other provinces. In 1982, agricultural banks at all levels in Shandong Province granted long-term and short-term loans in the sum of 34 million yuan for the construction or expansion of 385 cottonseed oil processing plants run by state-owned commerce. Thus the problems of cotton processing, seed removal, and oil pressing were fundamentally solved. Rural financial departments actively promoted the development of collective and individual commerce in order to expand the channels of commodity circulation.

Agricultural development depends on policy and science. The personnel of rural agricultural banks and credit cooperatives should emancipate their minds and promote the development of rural economic structural reform. At the same time, they should also give full financial support to popularizing agricultural science and technology, and helping communes and brigades and the peasants to study and apply science and to grasp the key measures for increasing production. For instance, the agricultural banks at all levels in Hunan Province last year granted seed loans of 150 million yuan for improving paddy varieties through hybridization. An increase of 200 to 300 jin of rice per mu was expected. Agricultural banks and credit cooperatives in various localities gave full support to the agricultural, scientific, and

technical departments and signed technical contracts with peasant households who followed the system of contracting specialized jobs and specialized households. They have played an active role in providing scientific and technical aid for an increase in agricultural production.

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STATISTICS SHOW RISE IN PEASANT DEMAND FOR MAJOR COMMODITIES

Beijing ZHONGGUO NONGMIN BAO in Chinese 1 May 83 p 1

[Article: "Marked Increase in Peasants' Demand for Major Commodities"]

[Text] According to data provided by the State Statistical Bureau: A survey of the statistical departments of 26 provinces, municipalities, and autonomous regions shows that, following the rapid rise in their income level, the peasant households in 1983 have increased their demand for major commodities and that the structure of the commodities they demand has changed markedly, their purchasing power being concentrated on means of production, building construction materials, and articles of daily use.

The vast number of peasants have enthusiastically carried out production investment, and an upsurge in purchasing means of production has begun to appear. In 1983, the average household of peasants plans to purchase 782 jin of chemical fertilizers, 17 jin of agricultural chemicals, and 3.34 jin of agricultural film. Various areas report that the peasants urgently demand urea, ammonium sulfate, and other high-grade chemical fertilizers and low-toxicity, highly effective agricultural chemicals, and also demand small sacks of chemical fertilizers and small-capacity bottles of agricultural chemicals. The demand for small and medium-sized agricultural machines and implements has increased, as well for their variety, standard, and quality. An average 100 peasant households plan to buy 26.4 plows, harrows, and pulverizer harrows; 2.6 pedal, hand, and electrical threshers; 6.7 rubber-tired carts; 0.68 small tractors and walking tractors; and 0.62 mini-, small, and medium-sized agricultural water pumps. In addition, the peasants demand that the production of traditional wooden farm implements be restored.

In the past several years, because income has continued to increase by a big margin and purchasing power has risen rapidly, the peasants have already begun to break away from traditional ideas about the consumption of articles for daily use: 1. The demand for sugar, cigarettes, and spirits has increased, and the consumption of apparel is gradually developing toward medium- and high-grade goods. In 1983, the average peasant household is preparing to buy 13.4 jin of sugar, 122 packs of cigarettes, and 31 jin of spirits. In apparel, the average household is preparing to buy 33 chi of chemical fiber cloth, 0.75 jin of knitting wool and woolen pants, and 0.48 pairs of leather shoes. 2. Selectivity with regard to durable consumer goods has been

strengthened, and the supply of popular goods and fine-quality famous brand products does not meet the demand. Bicycles and sewing machines are still commodities in great demand, and in 1983 an average 100 peasant households plan to buy 24 bicycles and 14 sewing machines. There is a pressing demand among peasants to buy famous brand bicycles and famous brand sewing machines. Currently, a prominent problem is that the supply of goods is insufficient; the demand for television sets has doubled, and washing machines and electric fans have already come into the peasant home. In 1983 an average 100 peasant households plan to buy 2.2 television sets, a 1-fold increase over that of the previous year. The peasants particularly welcome the Jinxing, Feiyue, and Japanese-made Matsushita black and white television sets, and some peasants in remote mountain areas hope for a supply of AC-DC television sets.

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1982 STATISTICS SHOW BOOST IN PEASANTS' CONSUMPTION

Beijing ZHONGGUO NONGMIN BAO in Chinese 5 May 83 p 1

[Article: "Consumption Level of Peasants Throughout the Country Rises Markedly"]

[Text] Data provided to reporters by the Agricultural Office of the State Statistical Bureau show: In order to prosper more quickly, the peasants have markedly increase their investment in production. In 1982, of the average peasant's total expenditure, 42.27 yuan went for production costs, a 30 percent increase over that of the previous year; and 220.23 yuan went for cost of living, a 15.4 percent increase over that of the previous year. The increase in production costs was 14.6 percent faster than the cost of living.

With the marked rise in the level of the cost of living, nutrition has been further improved. From 1978 to 1982, the peasants' per capita expenditure for costs of living increased annually by 26.04 yuan, a progressive increase of 17.4 percent. Their nutrition has further improved. In 1982, the average person every day assimilated from the principal foodstuffs he consumed 2,505.55 kilocalories, 67.41 grams of protein, and 33.31 grams of fat, an increase as compared with 1978 of 237.13 kilocalories, 3.13 grams of protein, and 8.77 grams of fat.

--Improvement in Food Quality. In 1982, the average person consumed 520 jin of grain (unprocessed food grains), among which the proportion of flour and rice rose from the previous year's 67.4 percent to 73.8 percent; the per capita consumption of vegetables increased by 15 percent over that of the previous year, edible oil by 9.8 percent, meat by 4 percent, eggs by 14 percent, spirits by 17.7 percent, and sugar by 8.2 percent.

--Continual Increase in Durable Consumer Goods Owned. In 1982, the per capita expenditure on consumer articles increased by 14.8 percent. On average, every 10 peasant families owned 5.1 bicycles, a 15.9 percent rise over that of the previous year; 3.3 sewing machines, a 17.9 percent rise, 5 radios, a 19.1 percent rise; 6.8 watches, a 23.6 percent rise; and 0.17 television sets, an 88.9 percent rise.

--Rise in Purchasing Power, Increase in Bank Savings. In 1982, the peasants' per capita expenditure in cash for goods was 153.97 yuan, a 15.9 percent rise over that of the previous year. At year end, the per capita cash in hand and in bank or credit cooperative savings accounts was 49.71 yuan, a 39 percent rise over that of the previous year.

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SURVEY SHOWS RISE IN PEASANTS' NET INCOME IN 1982

Beijing ZHONGGUO NONGMIN BAO in Chinese 6 May 83 p 1

[Article: "In 1982 Average Per Capita Net Income of Peasants Reached 270 Yuan"]

[Text] According to data provided by the State Statistical Bureau: A recent survey of 22,775 peasant households in 28 provinces, municipalities, and autonomous regions throughout the country showed that in 1982 the per capita net income of peasants reached 270.11 yuan, 46.69 yuan more than in 1981, or an increase of 20.9 percent, which, after deducting in constant factors, was a 15.2 percent increase over that of the previous year. It was an increase of 136.54 yuan over that of 1978, or double. Over a third of the peasant households had per capita net income exceeding 300 yuan, and the proportion of peasant households with 200 yuan or less fell from 72.5 percent in 1979 to 26.8 percent.

The main reasons for the increase in the peasants' income were:

1. The responsibility system of assigning output quotas by contract was universally put into practice, creating conditions for unearthing production potential.
2. Household sideline production developed in breadth and depth. The sideline occupations of peasant households, in addition to restoring and developing the traditional occupations of planting crops and raising domestic animal and fowls, have even more extensively spread out to include industry, construction, transportation, and commerce. In 1982 the income from sideline occupations of the average peasant household increased by 21.6 percent over that of the previous year.
3. After the production responsibility system was put into practice, specialized households and major households were developed, promoting the launching of activities to study and use science.
4. Economic results were improved.

The 1982 increase in the peasants' income also showed the following characteristics:

--The rate of growth of income of a production nature was faster than that of income of a nonproduction nature; and the rate of growth of income of a non-agricultural production nature was faster than that of income of an agricultural production nature. In 1982, of the average net income of the peasants, 237.15 yuan were income of a production nature, an increase of 21.9 percent

over that of the previous year; income of a nonproduction nature was 12.9 yuan, an increase of 13.9 percent over that of the previous year. Of the production income, the rate of growth of nonagricultural production income, such as that derived from commerce, service industry, construction, and transportation, was 20.6 percent faster than that of agricultural production income.

--The number of agricultural and sideline products offered for sale and cash income increased. In 1982, the average cash income of the peasants from the sale of agricultural and sideline products was 89.15 yuan, an increase of 19.35 yuan over that of the previous year. The proportion of that income in the total cash income rose from the previous year's 45.6 percent to 48.3 percent.

--The number of prosperous households increased, households with an average net income exceeding 300 yuan accounting for over a third of all peasant households. In the comprehensive survey, in 1982 the proportion of peasant households with an average net income of over 500 yuan rose from 0.6 percent in 1979 to 6.7 percent; the proportion of peasant households in the 300 to 500 yuan range rose from 6.5 percent in 1979 to 29.5 percent; and the proportion of peasant households with 200 yuan or less dropped from 72.5 percent in 1979 to 26.8 percent.

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STATE MOVES TO IMPROVE S&T RANKS IN AGRICULTURE, FORESTRY

Beijing ZHONGGUO NONGMIN BAO in Chinese 5 May 83 pp 1,2

[Article: "Measures Taken To Strengthen Scientific and Technological Ranks on First Line of Agriculture and Forestry"]

[Text] In order to meet the requirements of the situation developing in the rural areas, to strengthen the scientific and technological forces on the first line of agriculture and forestry, and to truly resolve the actual difficulties of scientific and technical personnel in agriculture and forestry, the Ministry of Labor and Personnel, the Ministry of Agriculture, Animal Husbandry and Fishery, the Ministry of Forestry, and the Ministry of Finance have jointly put out a report and, with the approval of the State Council, have decided to take the following measures:

(I) Replenish and strengthen, through various channels, the scientific and technical forces at the first line of agriculture and forestry.

1. Set up and perfect a system of agriculture and forestry science and technology popularization in order to serve the peasants. Within the next 3 or 5 years, send a group of agriculture and forestry scientific and technical personnel to the front line so that gradually there are 2 to 4 state agricultural scientific and technical personnel at the agrotechnical stations of every commune, and somewhat more in the areas where conditions permit. The scientific and technical personnel required by forestry, animal husbandry, fishery, and water conservancy (including water and land preservation) are to be gradually replenish based on the requirements of the development of the undertaking. They will undertake to popularize scientific and technical achievements in agriculture and forestry that are suited to a given place, train peasant technicians and basic-level cadres, and launch activities of technological consultation and service in agriculture and forestry. Strive to set up within 5 years a technology popularization backbone contingent that is basically able to adapt to rural economic development

2. Enrollment in agricultural and forestry academies and schools must be geared to the needs of the rural areas. The areas that are the source of enrollment must be integrated with the direction of graduate assignments, so that there is directed enrollment and directed assignment. When necessary, age and grade requirements may be lowered, selecting on merit and choosing

flexibly, so that after graduation the students will normally return to their original places to work. With regard to the assignment after graduation of students now studying in agricultural and forestry departments of higher and secondary polytechnic schools, in principle they will first go to work at the first line of agriculture and forestry at the county level and below, and after 3 or 5 years, based on work requirements, their assignments will be readjusted. During this period they are to receive all the remuneration afforded to scientific and technical personnel at the first line of agriculture and forestry.

The relevant higher and secondary polytechnic schools and the scientific research units must vigorously serve the rural areas. The county, commune, and other economic organizations can sign contracts with colleges and polytechnic schools and with scientific research units for the training of scientific and technical personnel.

3. Mobilize Agricultural and Forestry scientific and technological personnel who have left the production team to return to the production team. In principle, those whose technical level and physique are equal to the work at the first line of agriculture and forestry must be mobilized to return to the production team. A person whose home is in the city can retain his residence and food ration relationships, but he himself must first go down to the basic level to work. In housing and material benefits, they should be given preferential treatment over the staff and workers in their former units. Organizations at all levels should vigorously support this work, and on no pretext whatsoever must they obstruct it.

The state encourages scientific and technical personnel of all specialities to volunteer to serve the rural areas. They are permitted to be engaged by or sign technical contracts of various forms with rural economic organizations.

4. Vigorously train peasant technicians and give full play to their role. With regard to peasant technicians who have become talented through self-study, all areas can formulate methods of testing and examining them. Based on their technical level and their successes in the work of popularizing technology, if they attain the desired standard in tests, the areas can bestow on them the title of peasant technician and give them a certificate. Based on work requirements, methods of the contract system can be adopted so as to select the excellent and use them flexibly.

(II) Appropriately improve the treatment in living conditions of scientific and technical personnel on the first line of agriculture and forestry.

1. Agricultural and Forestry scientific and technical personnel working below the county level (not at the county level itself) are, on the basis of their original wage, to be given wages floating up one grade as a post allowance. Those who leave the first line within 8 years will be deprived of this floating wage, but those who leave after 8 years will retain this one-grade floating wage. The normal wage adjustment on promotion to a higher grade will not be affected. Where work is especially difficult, each area can give an appropriate subsidy on top of the one-grade higher floating wage, and it can decide itself on the specific method of subsidy.

The range of personnel enjoying the one-grade floating wage. The range includes state cadres in the agricultural, forestry, animal husbandry, fishery (including those on boats) land reclamation (including those at the regimental farm level and below), farmland water conservancy (including water and land preservation), and agricultural mechanization departments, who are working at the district or commune level below the county level (meaning those whose authorized strength and wage relationships are at the county but who have been sent to be stationed at the district or commune and work for a long period of time), who possess a record of graduation from higher or secondary polytechnic school, and who are now engaged in agricultural and forestry scientific and technological work.

The increased costs for the above-mentioned requirements are to be settled by the departments themselves in accordance with the existing financial system and based upon their subordinate relationship.

The increased costs of the above-mentioned requirements are to be settled by the departments themselves in accordance with the existing financial system and based upon their subordinate relationship.

2. In order to encourage scientific and technical personnel on the first line of agriculture and forestry to make more contributions, they are permitted to sign technological contracts with the production team, the specialized team, or the peasants, thereby setting up a technological responsibility system. Besides the income from wages that they receive, they can get a fixed proportionate share of part of the increase output.

3. The problem of treatment of the living conditions of peasant technicians. This problem should be solved by depending upon income from agricultural labor or by the economic gains of the technological services and the technological contracts. Peasant technicians who are making special contributions and who truly have difficulties in their working and living conditions should be given subsidies. The methods already stipulated by all areas concerning subsidies for peasant technicians may continue to be carried out.

(III) On the basis of developing agricultural production and improving agriculture's economic results, all areas must gradually increase agriculture's operating funds in order to improve the working and living conditions of scientific and technical personnel on the first line of agriculture. For the distribution among the rural population of graduates of higher and secondary polytechnic schools, there must be a corresponding increase in authorized strength and personnel funds.

(IV) With regard to scientific and technical personnel in agricultural and forestry scientific and research units, schools, farms and orchards that are owned by all the people who eat the grain they produce themselves, their city or town household grain ration relationship should be restored and their children may enjoy the treatment of city or town employment and reporting for examinations for technician schools. The specific methods for this are to be separately worked out by the departments concerned.

(V) Government at all levels must strengthen the management and rational utilization of agricultural and forestry scientific and technical personnel. We must rely on the scientific and technical ranks in agriculture and forestry to develop agricultural and forestry production, must have confidence in them politically, must boldly utilize them in work, must improve their training, and must be concerned for and show consideration for them in life.

In addition, in order to gradually carry out reforms in the wage system, from now on, of the wages and income of agricultural and forestry scientific and technical personnel, part of them will be the basic wage plus post wage or post allowance, and the other part will be income linked to economic achievements and realized through technical contracts.

In order to put into effect the above-mentioned measures, the people's governments of all provinces, municipalities, and autonomous regions may, integrating with their own reality, work out detailed rules and regulations.

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SPRING SOWING GOING WELL THROUGHOUT COUNTRY

Beijing ZHONGGUO NONGMIN BAO in Chinese 5 May 83 p 1

[Article: "State of Spring Plowing and Production Throughout Country Better Than in Previous Years"]

[Text] According to data provided by the relevant departments of the Ministry of Agriculture, Animal Husbandry and Fishery, the state of spring plowing and production in our country this year is better than in previous years:

1. The preparation of agricultural materials was sufficient. On the foundation of bumper harvests in agriculture in consecutive years, there have appeared in peasant families the "three sufficients and two mores," viz, sufficient grain ration, seeds, and feed; and more funds and animal power and more farm manure than in previous years. According to statistics for 10 provinces and municipalities, including Shandong, Hebei, Shaanxi, and Beijing, this year there is about 10 percent more farm manure than there was last year.

2. Production plans are being well implemented. In the form of signed contracts, planting plans have been implemented at the peasant household level in all areas. Grain crops, including summer-sown grain crops, have already been planted on 1.29 billion mu, a 10 million mu increase over that of last year, expanding the area sown to summer grain so as to restore the sown area of 1981.

3. The scale of technical training and technical service has been enlarged and deepened. In the 5 provinces and 1 autonomous region of Shaanxi, Ningxia, Heilongjiang, Hunan, Zhejiang, and Jiangsu, there have been over 80,000 person-times of training technicians at all levels. In Shanxi, over 3,000 agrotechnical cadres have gone to the countryside and set up 250 service centers.

4. The drought in the north has been relieved. After widespread rainfall of 10 to 30 mm in areas of the north from the middle third of March to the first third of April, there was widespread saturating rain in the last third of April. Pleasantly surprised, the vast number of peasants looked on this as a golden opportunity for spring sowing. From dawn to dusk, they worked vigorously to till the land well and to insure the wholeness and sturdy growth of seedlings.

At present, spring sowing has basically been completed in the south, and spring sowing is in the rush season in the north. Getting a tight handle on advantageous conditions, all places are striving hard to wrest a greater bumper harvest this year.

INTRODUCTION TO LECTURES ON CONTRACT SYSTEM

HK070836 Beijing RENMIN RIBAO in Chinese 29 Jun 83 p 5

["Introduction (excerpts) to 'Lectures on the System of Contracted Responsibilities With Payment Linked to Output'"]

[Text] Great Changes in China's Rural Areas

A new, vigorous, and thriving situation has emerged in China's rural areas. The majority of the peasants have never been so happy as today. They say: "Today, we have the best policies, the most beautiful life, the most agreeable feeling, and the highest enthusiasm."

The new situation in the rural areas has been brought about by the implementation of a series of policies drawn up since the 3d Plenary Session of the 11th CPC Central Committee, and in particular, by the extensive implementation of the system of contracted responsibilities with payment linked to output. This shows a great victory in the rural economic reform.

Fundamentally speaking, the role of the system of contracted responsibilities is to arouse productive laborers' initiative, which stems from the following two aspects: 1) Production laborers have gained relative independence in labor and management, changed the situation in which those who did farm work did not manage and those who managed did not do farm work, and checked the practice of issuing confused orders in labor and of carrying out productive labor in a "hue-and-cry" manner. As a result, they have been able to act conscientiously with the responsibility of masters of the country in meticulously looking after crops and domestic animals, energetically to improve production conditions, and to study and apply science and technology. 2) the results of labor and management are closely linked with the benefits of productive laborers. According to the standards or measurement in output which can be reached under ordinary rational management, the percentages of output for delivery and retention are fixed in the spirit of "turning over a sufficient part to the state, retaining an adequate part for the collective, and keeping the remaining part for the individual." Productive laborers no longer implement the principle of "everybody eating from the same big pot." In fact, they have basically put into effect the policy of to each according to his work.

The high enthusiasm of productive laborers has caused a rapid growth which has never before been seen in agricultural labor productivity. The raising of labor productivity has produced the following two results: 1) A large amount of surplus labor can be found in the rural areas, and in some places, one-third to one-half of the labor force is superfluous. 2) Agricultural production and the income of the peasants have increased by a large margin, and the peasants have surplus funds. With surplus labor force and funds, the peasants can open up all avenues for production and develop a diversified economy. The development of a diversified economy will, in return, enable rural production to develop in prosperity and cause an increase in income.

The Significance of the Great Changes

These great changes, which have never been seen before, have their significance in a more deepgoing sense.

As we know, the production mode of self-producing for self-living, of self-manufacturing for self-consumption, or self-sufficiency, and of exchanging a small part left over from self-sufficiency is old and backward. This production mode confines the peasants to the land. As a result, several hundred million people have to make a living by separating themselves from each other and from the outside world. In this way, they can produce only a small number of products. It is not necessary and is impossible to apply modern science and technology. Self-supporting and semiself-supporting production will inevitably be replaced by production which is carried out for exchanging products and for the benefit of society. Such a socialized production mode, which provides commodities, is modern and advanced. This production mode is based on the division of professions and labor. Professions are formed according to production categories (the growing of grain, oil-bearing crops, and cotton, and the breeding of fowl, domestic animals, and fish) so that various trades and undertakings can provide different products for the market. Furthermore, not only the production of various products must become professions, but certain stages or links (in farming, such as raising seedlings, tractor ploughing, mechanical sowing, crop protection, and threshing; and in stock breeding (such as the breeding of stock, the manufacturing of mixing fodder, and the preventing of epidemic diseases) must also become specialized trades in production or technological service. In this way, each productive laborer will be geared to the needs of society, and the variety, quantity, and quality of products will meet the needs of society and comply with domestic and even international demands. On the other hand, what each productive laborer needs in production and everyday life will be provided by society and other productive laborers. Moreover, the number of persons and the quantity of materials to be used in the production of a product will be measured by the average standards of society. Therefore, a popular demand will prevail under which every laborer strives to raise production and quality, to reduce the consumption of materials, and to apply modern science and technology.

The more deepgoing sense of the significance of the great changes which have taken place over the past few years in the rural areas lies in the fact that self-supporting and semiself-supporting production in the rural economy has

changed into socialized production of a commodity nature. This can be clearly seen from the increase in the percentage of marketable products, that is, the proportion of sold products to total production. In 1981, the average value of commodities provided by each agricultural laborer was 115.5 yuan, an increase of 67.8 percent over 1978. The scale of increase in the 3 years was nearly equal to that in the previous 20 years. What is more important is that at this rapid development is just in the ascendant. Moreover, it is a nationwide average figure. In places where the peasants began to carry out the system of contracted responsibilities with payment linked to output a little earlier, the percentage of marketable products is even higher.

New Development of the Theory of the Cooperative System

The commodity production which is vigorously developing in the rural areas is socialist commodity production under the cooperative system. The system of contracted responsibilities with payment linked to output has become the principal form of the cooperation economy in China's rural areas. It is being perfected and is developing in range and quality. In the course of the constant growth of the economy under the contract system, the self-run economy, that is, the production and economy outside the contract system run by peasant households which have developed from carrying out sideline production, is expanding.

In the contracted and self-run economy, a large number of specialized households or specialized groups have emerged. They either undertake the contracting of forests, orchards, tea plantations, mulberry plantations, shoals, fish ponds, animal husbandry, and various jobs in workshops with the collective, or carry on individually the raising of chickens, ducks, rabbits, pigs, and cows, weaving, processing, transportation, repair and service work, and commerce. In the course of production, specialized households in many places have felt the urgent necessity for further combining labor capability, scientific and technological knowledge, operational and managerial talents, and the use of funds to expand specialized management. Therefore, they have put forward new demands for cooperation and combination in respect to production and supply and marketing, and, under the principle of voluntary participation and mutual benefit, are beginning to exercise various forms of combination such as specialized combination in production, combination in certain production links, combination in supply and marketing, combination in preservation, transportation, and processing, combination in providing technological service, and combination in the comprehensive management of agriculture, industry, and commerce. Those who join the combination can contribute their labor force, technological knowledge, managerial talents, or funds. In short, there is a large variety of forms in the new cooperative economy.

This multiform cooperation economy is in compliance with Marxist theory of the cooperative system, which is being developed in our country's practice.

The basic through of Marxist theory of the cooperative system is that the proletariat must not expropriate the peasants, that the socialization of the small-scale peasant economy must be realized through a combination under the principle of voluntary participation and mutual benefit, and that such a

combination must be able to gradually change backward production features and livelihoods. Neither Marx, Engels, nor Lenin formulated the pattern of the cooperative economy for us to follow. The cooperative system they referred to has a large variety, both in form and in content.

According to Marxist theory of the cooperative system and to the practice of the socialist cooperative economy, we can say that the cooperative system is the economic combination of laborers. This economic combination is basically the combination of labor, but we cannot exclude the necessary combination of funds. Therefore, distribution is basically carried out under the principle of to each according to his work. Besides, bonuses can be issued according to the amount of money paid for shares.

Our country's cooperative system has followed an arduous course. After the founding of the PRC, through nationwide land reform, the party led the peasants in a timely manner in taking the socialist cooperative road. In the early stage of the cooperative transformation of agriculture, the party adhered to the principles of voluntary participation and mutual benefit, of giving typical examples and classified instructions to the peasants, and of realizing a gradual transformation to the advanced cooperative level. At that time, the cooperative system was developing vigorously. After advanced producers' cooperatives were established, the road of cooperative transformation was becoming narrower. The peasants basically adopted the method of unitary production cooperation, and this production cooperation was basically of the form of the collective farm, on which the system of concentrated labor and management, of appraising workpoints, and of distributing payment according to workpoints was implemented. This system was not suited to our national condition and agricultural situation. It caused stagnation in the development of our country's rural economy and slowed down the historical course in which self-supporting and semiself-supporting production changed into socialized production of a commodity nature.

The system of contracted responsibilities with payment linked to output has broken away from the stubborn form of the collective economy. In the course of changing and being perfected, it has become a new and principal form of our country's rural cooperative economy. Moreover, it has promoted the budding and growing of the rural cooperative economy, and made the road of the cooperative system broader.

The collective economy was originally the cooperative economy. It would not have necessarily produced such shortcomings as carrying out production in a "hue-and-cry" manner and "everybody eating from the same big pot." But due to the long years of the "leftist" erroneous tendency, people will think of concentrated labor and management, and of the system of appraising workpoints and distributing payment according to workpoints at the mention of the collective economy. In his report to the 12th CPC National Congress, Comrade Hu Yaobang pointed out: "In the rural areas, the laboring people's cooperative economy under the system of collective ownership is the principle economic form." This has very important significance. The cooperative economy can reflect a new practice and enable us to break away easily from the stubborn habit of naturally relating combination to the system of concentrated labor and of distributing payment according to workpoints, and to straighten out

the narrow idea of excluding various economic forms. At present, commodity production under the cooperative system, which is developing vigorously in our country's rural areas, can bring into full play the role of the labor force, cultural and technological knowledge, and operational and managerial talents, and enable us to accumulate funds. It can also avoid the division of the peasant class into two opposing extremes during the change from self-supporting and semiself-supporting production into socialized production of a commodity nature. It will continue to bring its role into play for a long time to come.

The Characteristics of China's Socialist Agriculture, Which Is Developing Toward Socialization and Modernization

At present, a popular practice in our country's rural areas is the carrying out of the system of contracted responsibilities with payment linked to output. This new cooperative economic form has rich contents. But in the final analysis, the central issue lies in the combination of decentralization with unification. This form has taken root in our country's vast rural areas. In the further development of the system of contracted responsibilities with payment linked to output, the contents of the combination of decentralization with unification will be full of variety and its form will be perfected. But as a universal and basic principle, the combination of decentralization with unification will retain its strong vitality for a long time because it is suited to our national condition and rural situation.

In carrying out the system of contracted responsibilities with payment linked to output, most tasks in farming are contracted on a household or labor force basis. As well as on a household and labor force basis, other professions are contracted on a group basis. Individual specialized producers ordinarily carry out operational activities on a household basis, and various forms of new combination bodies are usually run on a small scale. In short, for a certain time to come, most of the various forms of the cooperative economy in the rural areas will be based on the labor and production of households or groups. Of course, in some places, such as Heilongjiang Province, the scale will be fairly large.

Some people maintain that socialized production can be carried out only on a large scale. In fact, large-scale production is not necessarily socialized production, and socialized production may possibly be small-scale production. In the past, when we implemented the principle of "large in size and collective in nature" with regard to the people's commune system, the scale of production was large enough. But this does mean that it was socialized production. After implementing the above principle for many years' production still remained at the level of being self-supporting or semiself-supporting. Now, under the system of contracted responsibilities with payment linked to output, although the scale of production is small, this does not mean that production is in the self-supporting stage. On the contrary, it is entering the socialized period. The rapid increase in the percentage of marketable agricultural and sideline products over the past few years is sufficient to prove this.

Some other people hold that modernized production must be large-scale production. In fact, modernization has no direct relationship with the scale of production. Agricultural modernization means the overall application of modern science and technology to agriculture and more investment of funds and labor in the same area of land. It is closely related to agricultural socialization. The question is not the largeness of the scale, but the degree of socialization. The development of agricultural modernization is always accompanied by the development of agricultural socialization. Under the conditions of socialization, due to the well-developed division of labor, we can rely fully on specialized technological services, and a small-scale economy can also be modernized. The experience of various countries in the world has proved that modernization can be realized in a household economy as well as on a large-scale farm. This does not mean that the larger the production scale is, the higher the economic results are, nor does it mean that the smaller the production scale is, the better the economic results are. What is the most rational production scale which can produce the best economic results? The production scale varies under different conditions. There is no fixed pattern universally applicable.

Our country's rural areas are developing. In short, the cooperative economy, which is based on the labor and production carried out by peasant households or groups, is on a small scale. This small-scale economy is suited to our national condition and the present status of the rural productive forces. Our country's peasants have the tradition and habit of running a small-scale household economy. For a certain period of time, the cooperative economy, which is based on the labor and production carried out by peasant households or groups, will still maintain its outstanding superiority. It is suited to the cultural, technological, and managerial talents, to utilize decentralized funds to bring into full play the role of a large quantity of small-sized and simple production implements and facilities, to absorb more labor force with smaller funds, and to achieve fast investment results with low energy consumption.

Merging self-supporting production under the principle of "everybody eating from the same big pot" has dampened the peasants' initiative. In contrast, utilizing the superiority of small-scale production can enable the peasants to take the road of socialized production through development of a diversified economy and division of labor and professions. With socialization, we can realize modernization. These are two different methods. The former tried to realize modernization by relying on the scale of production, and the latter is realizing modernization by relying on the socialization of production. Practice has proved that the latter is suited to our national condition.

Therefore, small-scale production does not mean a small-scale peasant economy in traditional agriculture left over from history. The "small" here does not mean self-sufficiency. Nor does "hue-and-cry" mean socialization. What we mean is small-scale but socialized production. Viewed from its scale, it is "small," but viewed from its commodity nature, which is geared to the needs of society, it is very "large." Furthermore, viewed from the angle of socialization and various technological services provided, from the area of land a peasant household can undertake to contract, and from the quantity

of products a peasant household can provide, it is "large." For example, in our country's rural areas, a commodity grain specialized household can undertake to contract more than 100 mu of land, and a specialized household in breeding can undertake to raise more than 100 pigs and several thousand fowl. Here, we can see the embryonic form of our country's socialized and modernized agriculture.

In short, the combination of "decentralization" with "unification" and the existence of "largeness" in "smallness" are the characteristics of China's socialist agriculture, which is developing toward socialization and modernization.

CSO: 4007/196

ANHUI LEADERS ON AGRICULTURAL DEVELOPMENT

HK291056 Beijing RENMIN RIBAO in Chinese 29 Jun 83 p 1

[Report by reporter Ou Qinglin (2962 1987 2651): "Responsible Persons of Anhui Provincial CPC Committee Talk About Implementing NPC Session Guideline"]

[Text] How should we implement the guidelines of the First Session of the Sixth NPC after it is over? A responsible comrade of the Anhui Provincial CPC Committee expressed his views on this question.

Anhui instituted the agricultural production responsibility system earlier than most other provinces. After solving the problem of food and clothing, Anhui's peasants started becoming well-off. In particular, the key and specialized peasant households, which account for 15 percent of the total number of Anhui's peasants, have taken even bigger strides toward prosperity. The rural economy has embarked on a new road and the situation is inspiring.

Huang Huang, secretary of the Provincial CPC Committee, said: Agriculture plays a dominant role in Anhui. How should we further develop the favorable rural situation? At present, the key to this question is still to further eliminate the "leftist" influence in the ideology of leading cadres at various levels, continue to reduce restrictions in policies, resolutely support the peasants in their attempts to become rich through labor, and encourage the peasants to make greater contributions to the state. The peasants' living standards have just been improved. We must guard against increasing their burdens. We must not apportion them tasks at random or ask them to give donations to various quarters.

Huang Huang held that comrades doing rural work should seriously study and solve these problems: 1) With the increase of rural key and specialized households, commodities increase continuously. These commodities must be processed, stored, transported, or sold in good time. If our work lags behind, the peasants' enthusiasm will be dampened. 2) At present, 85 percent of the peasants in the rural areas are still not earning a high income. Only after this portion of peasants have also become well-off can the entire rural areas become really prosperous. The reason why there is difference between these peasants and the key and specialized households is that the former have difficulties in technology, manpower, and funds and they need guidance and help. 3) In order to develop agricultural production, we must exploit water

surfaces, barren slopes, and underground resources. It is impossible for one family, one production brigade, or one commune to carry out such exploitation. They must form associations, including transcounty and trans-regional associations. This requires a solution to the problem of unified organization, unified leadership, and unified management.

Agriculture is the strategic focus on economic construction in the coming 5 years. In the "Government Work Report," Premier Zhao pointed out that the increase in peasants' income mainly depends on developing production and reducing the cost of production. During the session, the Anhui delegation to the First Session of the Sixth NPC carried out thorough discussions on how to increase results in agricultural production. Comrade Huang Huang held that in developing agriculture, we must also stress increasing economic results. In implementing the guidelines of Premier Zhao's "Government Work Report" in light of concrete conditions, we must firmly grasp this link.

Anhui's Fengyang County has provided the following information: Since the institution of the overall contract system 4 years ago, this country's agricultural production has developed and economic results have constantly increased. Since 1982, expenditure in production has dropped from 30 percent of the total agricultural output value in the past, to 25 percent, while the total grain output has increased by 420 million jin more than in 1979. This shows that only through developing production can we gradually increase economic results. Moreover, we must plug loopholes and tap potentials in the course of developing production before we can increase economic results.

Can we achieve this? How can we achieve this? Wang Yuzhao, governor of Anhui Province, gave a positive answer. He said that there are typical examples in Anhui which must be seriously summed up. Generally speaking, we can make our efforts in four aspects: 1) Strengthen medium- and small-size water conservation projects for farmland, increase gravity irrigation areas, and reduce electrical irrigation; 2) Make efforts to develop farm manure, increase the use of farmyard manure, and appropriately control the use of chemical fertilizer; 3) While ensuring a steady increase of grain, make efforts to develop diversified economy, continue to increase commodities, and increase income; and 4) Make efforts to develop intellectual resources, adopt various ways to train a large number of peasant technicians, "local experts," and peasant technical personnel who "do not need much money to train and will not go away after they have been trained," and give full play to the role of existing agrotechnicians in constantly raising the level of scientific farming.

CSO: 4007/198

BRIEFS

ANHUI ANIMAL HUSBANDRY--According to statistics compiled by the department concerned, as of the end of March there were 10,426,000 hogs in stock in Anhui Province. This was 5.9 percent more than the record at the same time of last year. The number of draft animals totaled some 3.6 million head, showing an 11.3 percent rise over the same time of last year. Poultry numbered 13,823,000, or 18.8 percent more than last year. As regards bee-keeping, the province had 171,000 beehives, which showed a 26.6 percent increase compared with the same time last year. [Summary] [OW060557] Hefei Anhui Provincial Service in Mandarin 1100 GMT 22 Jun 83]

CSO: 4007/198

GUANGDONG MEETING ON AGRICULTURAL DEVELOPMENT

HK291500 Guangzhou Guangdong Provincial Service in Mandarin 2350 GMT 26 Jun 83

[Text] The provincial meeting of municipal and prefectural CPC Committee secretaries in charge of agricultural affairs concluded on 22 June. During the meeting, the participating comrades held lively discussions. They all held We must work hard to improve the province's grain production growth speed while speeding up agricultural development in an all-round way. At present, we must energetically promote the use of hybrid rice and carry out cultivation work through to the end so as to ensure a good harvest of late rice this year. On 22 June, Lin Ruo, secretary of the Provincial CPC Committee, delivered a summary speech at the meeting. Xie Fei, secretary of the Provincial CPC Committee; Du Ruizhi, member of the Provincial CPC Committee and chairman of the Agricultural Committee; and Lin Botang, member of the Provincial CPC Committee, also delivered speeches on special topics at the meeting. The meeting held: We must resolutely carry out the principle of absolutely not slackening our efforts in grain production while actively promoting diversification. All local authorities in the province must act immediately to cultivate late rice well in order to ensure that the province's annual grain production still shows growth despite bad weather and repeated calamities. The key measure is to energetically promote the use of hybrid rice in the late rice.

The meeting stressed that the development of sugarcane is an important aspect of bringing the agricultural advantages of our province into play. It is also an important measure to enliven the provincial rural economy and to make the peasants prosperous as soon as possible. Therefore, we must attach great importance to this development. In future, we should carry out the principles of consolidation and improvement, and filling gaps in sugarcane production and reviving its superiority, in order to strive for improvement next year and for a large-scale expansion in the year after. All local authorities must include the development of sugarcane production and sugar refining industry in their 5-year or 7-year economic development plans. They should make the plans dovetail rather than be divorced from each other. The province must establish a sugarcane production headquarters, in which the departments concerned will participate, to exercise effective and unified leadership in order to ensure that the province's refining season proceeds smoothly and economic results will return to the previous record level.

The meeting pointed out that when the leadership of all levels are drawing up the plans and measures for speeding up the development of grain production, they must think along the lines of developing a major agricultural economy; that is, they must stress the development of farming, forestry, animal husbandry, sideline production, and fishery in all-round way rather than attending to one thing and losing sight of another. Now is the right time to gradually implement the policies on mountain forests and we should make the best use of the situation. We must conscientiously do well in the work of seed collection and seedling nursing in preparation for large-scale afforestation this winter and in the coming spring.

The meeting arranged the tasks of rural work for the second half of this year. The tasks are to do agricultural and industrial production well and to strive to reap a good harvest in late rice. This is the focus of the rural work. Under the prerequisite, we must do the following work well at the same time: 1) [word indistinct] party work style; 2) continue to do family planning work well; 3) systematically carry out the separation of government administration and commune management; 4) actively carry out the task of perfecting the production responsibility system; and 5) regard the work strengthening and building of spiritual civilization in the rural areas a long-term important task.

CSO: 4007/198

BRIEFS

HEILONGJIANG WEATHER TREND--According to Heilongjiang Meteorologic Departments, weather has been abnormal since the beginning of 1983. Temperatures in March and April were higher than the previous years by 2 to 3 degrees centigrade. Temperatures dropped between 8 and 19 May and between 3 and 19 June, averaging 3 to 4 degrees lower than the normal years and 5 to 6 degrees lower than the corresponding period in 1982 and one degree lower than the corresponding period of 1969, 1972 and 1976. The meteorological departments suggested that efforts be made to combat low temperatures in June so as to ensure that all field crops will be free from damage. [Summary] [Harbin Heilongjiang Provincial Service in Mandarin 1100 GMT 19 Jun 83]

CSO: 4007/198

BRIEFS

HENAN LATE AUTUMN CROPS--Henan Province has basically completed sowing of late autumn crops and has started tending autumn crop fields. By 23 June, the province had sown late autumn crops on 61 million mu, fulfilling over 95 percent of the sown areas. Moreover, the province had also loosened the soil and removed weeds on 28 million mu, applied manure and carried out irrigation on some 14.3 million mu, and cleared stubble on 35.3 million mu in preparation for late autumn crop cultivation. The province sowed late autumn crops in a relatively timely manner. Due to better soil moisture content, the seedlings have grown well and strong. Peasants have confidence in reaping a bumper harvest in the autumn. [Summary] [HK070553 Zhengzhou Henan Provincial Service in Mandarin 1100 GMT 28 Jun 83]

CSO: 4007/198

AGRICULTURAL BANKS EXPAND CREDIT FOR STATE FARMS

OW060613 Beijing XINHUA Domestic Service in Chinese 0121 GMT 2 Jul 83

[By reporter Li Xingmin]

[Excerpts] Nanchang, 2 Jul (XINHUA)—As reflected by the National Conference on Credit Work for State-Run Agricultural Enterprises held recently in Jiangxi Province, China's agricultural banks have in the past few years carried out reforms on regulations governing extension of credit to state-run agricultural enterprises so they can adapt to the implementation of the agricultural production responsibility system; and fairly good economic results have been achieved.

According to statistics, as of the end of 1982, agricultural banks at various levels in the country extended loans totalling 4.12 billion yuan to state-run agricultural enterprises, a 24.4 percent increase over 1981. According to an investigation of more than 2,500 state-run agricultural and land-reclaiming enterprises, the output value derived per 100 yuan loaned in 1982 increased by 5.6 percent over 1981, and profit increased by 290 percent. From January through May this year, agricultural banks in various places extended loans totalling 2.06 billion yuan to state-run enterprises, a 27 percent increase over the same period last year.

CSO: 4007/198

JILIN CONDUCTS AGRICULTURAL RESOURCES SURVEY

SK070605 Changchun Jilin Provincial Service in Mandarin 2200 GMT 6 Jul 83

[Text] Our province has achieved encouraging results in agricultural resources survey and zoning, which provide scientific data for rationally exploiting, utilizing, and protecting the province's agricultural resources and restructuring agricultural production. This survey, which began in the latter half of 1979, is the most comprehensive and systematic one ever conducted since the founding of the PRC. So far initial data have been obtained in the province's total acreage and the acreage of farmland, gardens, forests, grasslands, water surface, land for special purposes, land for industrial and mining enterprises, and rural and urban residential quarters. The survey has also provided data on distribution of different types of soil, the distribution of organic substances in soil nutrient, the distribution and quantity of surface water, the distribution and reserves of subterranean water, resources of aquatic products, the acreage of soil erosion and methods of prevention, the characteristics of the province's continental monsoon climate, the average temperature, precipitation, and wind-free period of a year and major disastrous weather conditions. Through the survey of the resources of wild cash plants and animals, 25 kinds of valuable and rare plants were discovered, resources and reserves of many stretches of cash plants were ascertained and preliminary ways to rationally utilize and protect cash plant resources were worked out.

The data and materials obtained from this survey have provided a scientific basis on which to rationally exploit, utilize, and protect agricultural resources. Based on the survey, all localities have written or are writing reports on zoning and, in the principle of conducting a survey and zoning and applying the results simultaneously, have conscientiously applied the results of agricultural zoning.

CSO: 4007/198

JILIN

BRIEFS

JILIN FOODSTUFFS FOR PEASANTS--Prior to 1978, of the foodstuffs consumed by peasants 98.1 percent were grain and vegetables and 1.9 percent were meat, eggs and fish. In 1982, 2.8 percent of the peasants' foodstuffs were meat, eggs and fish and 97.2 percent were vegetables. The per capita annual pork consumption was 13.6 jin in 1978 and 21 jin in 1982 and egg consumption in 1982 increased by 1.6 times over 1978. [Summary] [SK290606 Changchun Jilin Provincial Service in Mandarin 2200 GMT 27 Jun 83]

CSO: 4007/198

LIAONING

BRIEFS

LIAONING RAINS--From 28 June to 1400 hours on 29 June, Liaoning experienced rains. Shenyang City, Changtu, Kaiyuan, Zhanguu, and Donggou Counties had a precipitation ranging from 30-66 mm. Some communes in Liaozhong County had 103-169 mm of rainfall. The rain helped alleviate the drought in these areas a little bit. However, most areas in the southern and western parts of the province still have had little rain and the drought is rather serious. [Summary] [Shenyang Liaoning Provincial Service in Mandarin 2200 GMT 29 Jun 83 SK]

CSO: 4007/198

NINGXIA RIBAO ON 'THREE THINGS' IN REFORM WORK

HK011528 Yingchuan NINGXIA RIBAO in Chinese 23 Jun 83 p 3

["Ideological Commentary" by Chen Xinhui [7115 1800 1979]: "We Should Have Good Vision, Boldness and Willpower in Reform"]

[Text] As a result of resolutely carrying out the system of contracted responsibilities with payment linked to output, China has created a new situation in its agriculture. In the past 4 years, we have successively reaped all-round bumper harvest in agricultural production, commodity economy has rapidly developed, and 800 million peasants have improved their livelihood considerably. Agricultural reform has broadened the horizon of the people throughout the country. Significant reforms carried out in agriculture incontrovertibly prove that we should have good vision, boldness, and willpower in reform, and we must also have these "three things" in carrying out reforms in other fields.

We must have good vision. Good vision means we must see the essence of the problem. What is the crucial reason for slow development in agriculture and less improvement in the peasants' livelihood for so many years? It lies in the practice of eating from the same big pot, egalitarianism, and wrong rural policies. Understanding this, we can affirm the necessity of the reform and its orientation. Having good vision means that we must offer effective methods for carrying out reforms. After making a decision at the 3d Plenary Session of the 11th CPC Central Committee on speeding up agricultural production, the CPC Central Committee, in view of the problems in agriculture, increased the purchase price of agricultural and sideline products, perfected the responsibility system in agricultural production, developed diversified economy, and further loosened economic policies in rural areas. All these have been put forward, implemented, and perfected one by one, thus developing agricultural reform in depth step by step. Such good vision is indeed Marxist foresight and sagacity.

We must have boldness. Economic reform, including agricultural reform, and structural reform and reforms in other fields of the superstructure are new and great issues concerning the direct interests of millions and millions of people throughout the country. All reforms, big or small, will unavoidably be censured by some people. Due to various reasons, some people do not quite understand them, some lag behind the situation, and some cannot adapt themselves

to circumstances. Still others, because of the loss of their partial and temporary interests, not only censure but also resist the reforms. Hence, we must be extremely bold. Once we set a correct target, we must go ahead. Of [word omitted] there are criticisms and difficulties, we must work hard and be insistent. Those who are full of misgivings and fears cannot successfully carry out reforms. In agricultural reform, the system of contracted responsibilities with payment linked to output has many advantages, and is a production responsibility system of socialist collective economy which corresponds with China's reality. Based on this, we have not only carried out payment on contract quota on a small scale, but have also developed the system of assigning contracts to groups into the system of assigning contracts to households and individuals, and have developed the system of fixing farm output quotas for each household to the system of each household being responsible for a task until it is completed. The system of each household being responsible for a task until it is completed has now become the main form of the responsibility system in most areas of the country. Such extreme boldness is an important reason for our rapid and great achievements in agricultural reform.

We must have willpower. This means we must have a strong and persistent will, which is more valuable and an estimable strength. Generally speaking, it is not very difficult to locate problems and their roots. Nor is it difficult to carry out slight reforms. This is why we usually say it is easy to start doing new things. What is more difficult is to remove all obstacles in order to carry on the reform. Chinese communists are thorough revolutionaries who have strong revolutionary willpower. Comrade Hu Yaobang said: "Without carrying out reforms, it is impossible to achieve the four modernizations." Without willpower and persistent reforms, it is impossible to achieve victory in the reform. If we want to uphold reforms, we cannot avoid various problems which may arise in the process of reform which result from doing away with various force of habits and involve changes in the interests (economic interest above all) of various people, and cannot avoid putting forth new ideas and methods to correctly resolve the problems. We absolutely cannot take the road of retrogression when meeting knotty and difficult problems. Taking the road of retrogression is not a way out.

Strong willpower involves another important problem; that is, we must be bold enough to admit and sincerely correct shortcomings and mistakes which are unavoidable in the process of reform. Brave reformists are not those who do not make mistakes, but those who dare to uphold what is correct, and correct what is wrong in exploration, have undaunted willpower, and dare to achieve final victory after overcoming countless mistakes and setbacks. Only thus, can we adhere to the general orientation of the reform, and continuously improve and perfect concrete methods of the reform, thus developing the reform in depth.

Those who are eager to carry out reforms and are ready to become reformists must have good vision, boldness and willpower. But it is not easy to possess all "three things." In order to possess them, we must go deep among the masses, earnestly sum up both positive and negative experiences and lessons in the previous practical activities, and modestly and completely listen to

the voices of the masses. We must be skillful in taking into account the overall situation, and view things in their totality and their prospects. More importantly, we must study Marxism and the party's guiding principles and policies in connection with reality. We must treat Marxism, a political microscope and telescope, as a powerful weapon to guide the reform, and use Marxist foresight and sagacity and reformative methods suited to the practical situation to eliminate all old ideas.

Economic reform and reforms in all fields of the superstructure in our country are a thorough revolution. This revolution has just begun and the task is very arduous. Provided that, under the leadership of the CPC Central Committee, the vast number of cadres and people have good vision, boldness and willpower, all reforms will certainly be carried out step by step and in a proper manner to stimulate the gradual fulfillment of the four modernizations.

CSO: 4007/198

QINGHAI CONFERENCE ON EDIBLE OIL, GRAIN WORK

HC061337 Xining Qinghai Provincial Service in Mandarin 1100 GMT 1 Jul 83

[Text] The Provincial Conference on Grain Work concluded in Xining on 29 June. This conference has emphatically discussed the issue of assigning full responsibility for grain work and the specific problems concerning the ceiling for the purchase of edible oil. In addition, it has also discussed the questions of how to develop multichannel operation and how to do a good job of grain work.

The conference thought that earnestly doing a good job of the purchase of grain and fulfilling the ceiling for the purchase of edible oil were the urgent tasks for the grain departments at all levels.

There are only 2 months before the new grain and new edible oil should be put in storage. According to statistics, the task of the purchase of edible oil and grain has been basically fulfilled down to the households in seven counties, which represents one-third of the agricultural counties of the whole province. The other counties are fulfilling the task.

The conference stressed that the tasks of fulfilling the ceiling for the purchase of edible oil and the purchase of grain should be fulfilled down to every contracting household and that contracts should be signed.

The conference has worked out a measure for doing a good job of grain work. After ensuring that the task of the purchase of edible oil and grain can be fulfilled, the development of multichannel grain and edible oil business is permissible. The agricultural production teams, cooperatives, individual peasants, state-run farms and ar husbandry centers, and other cooperative commercial organizations can do and edible oil business flexibly in the market. They can transport and sell their grain and edible oil to other countries or even other provinces.

The conference has also studied the problems of strengthening financial management and of improving the economic results and the quantity and quality of the social services of the grain departments. At the conference, 14 advanced collectives and 23 advanced individuals of the grain departments of the whole province were commended.

CSO: 4007/198

SHANDONG

BRIEFS

SHANDONG SUMMER GRAIN PROCUREMENT--By 28 June, Shandong Province had stored up 3.543 billion jin of summer grain, overfulfilling the summer grain procurement task and a 1.5 billion jin increase over the corresponding 1982 period. [Summary] [Jin Shandong Provincial Service in Mandarin 2300 GMT 29 Jun 83 SK]

CSO: 4007/198

MEETING ON DEVELOPING DIVERSIFIED ECONOMY HELD

SK070840 Taiyuan SHANXI RIBAO in Chinese 9 Jun 83 p 1

[Excerpts] On 24-31 May, leading groups in charge of diversified economy under the Provincial People's Government held a work conference on diversified economy in Yanbei Prefecture. The conference centered on studying the issue of consolidating and developing specialized and key households, summed up and exchanged experience in processing and increasing agricultural and sideline products, and discussed the suggestions on helping develop "the two households."

Deputy Governor Guo Yuhuan presided over and delivered a speech at the conference.

In the past 2 years, owing to conscientiously implementing the principle of "never ignoring grain production and enthusiastically developing a diversified economy," and simultaneously attending to both the collectives and the individuals, the whole province had a tendency to develop a diversified economy. According to statistics, by the end of May, the number of specialized and key households and new economic integrations had reached 1.31 million, accounting for 25.8 percent of the total peasant households. In 1982, the total income from diversified economy reached 4.2 billion yuan, a 20 percent increase over 1981. Comparing 1982 to 1981, the per capita income from diversified economy registered an increase of 33 yuan. In 1982, the total income from diversified economy amounted to 64.33 percent of the total income.

The conference urged all localities to conscientiously help "the two households" do the work before and after production, to concentrate on giving technological guidance and opening up channels for purchases and sales, and to help "the two households" solve difficulties in purchases and sales. All localities are urged to comprehensively popularize the contracted system. As seen from the experience of all localities, the conscientious implementation of the contracted system may link production with supply and marketing and is a chain that enables all relevant departments to conduct socialised service work. In line with actual conditions, all localities should gradually popularize and ceaselessly improve the contracted system in the course of implementing it.

All participants also seriously studied the issue of processing and increasing agricultural and sideline products. With regard to this issue, they studied and exchanged experience to further strengthen the understanding of agricultural and sideline product processing. They expressed that they will make an overall plan and proper arrangements to bring into play our province's superiorities in line with local conditions, state plans, and market needs, to vigorously develop processing trades in agricultural and sideline products, livestock products, forestry products, fruit products, and forage, to further enliven the rural economy, and to make a greater breakthrough in developing a diversified economy.

CSO: 4007/198

SHANXI COTTONFIELDS SUFFER SEEDLING ROOT ROT

SK070909 Laiyuan SHANXI RIBAO in Chinese 9 Jul 83 p 1

[Excerpt] To counter the emergency situation in which our province seriously suffers cotton seedling root rot, the provincial agricultural office, jointly with the provincial scientific commission, compiled and printed 100,000 copies of science and technology papers concerning the special issue of cotton. Special persons and vehicles were sent to Yuncheng and Linfen--two big cotton production areas.

This year, our province has planted 3.4 million mu of cotton. Of this, 1.03 million mu are covered with vinyl, accounting for 30.4 percent of the province's total cottonfields. Great progress has been made in developing vinyl covered cottonfields.

CSO: 4007/198

TIANJIN

BRIEFS

WHEAT HARVEST--Tianjin rural areas reaped a bumper harvest in 2.34 million mu of wheatfields in 1983. The total output is estimated to be 620 million jin, an increase of 63.2 percent over the corresponding period in 1982. Wuqing County's wheat output is expected to be 150 million jin, an increase of 8,900 jin over 1982. Jinghai County, which was hit by disaster, is expected to harvest 72 million jin of wheat. [Summary] [Tianjin City Service in Mandarin 0030 GMT 3 Jul 83 SK]

CSO: 4007/198

XINJIANG

BRIEFS

XINJIANG LIVESTOCK PRODUCTION--At the end of May, the Xinjiang Region's number of female livestock of various kinds was some 9 million head and the young livestock survival rate amounted to 91 percent. The Regional People's Government has appropriated 1 million yuan to all places to combat drought. According to statistics, the amount of fodder used during drought was some 80 million jin. [Summary] [Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 27 Jun 83 HK]

CSO: 4007/198

NEW AGRICULTURAL PURCHASING, MARKETING POLICY

HK071052 Kunming Yunnan Provincial Service in Mandarin 1100 GMT 4 Jul 83

[Text] Recently, the Provincial People's Government approved and communicated the opinions of the Provincial Economic Commission and the Provincial Commerce Department on readjusting the policies concerning the purchasing and marketing of agricultural and sideline products and on developing diverse channels to facilitate the circulation of these products, calling on all localities to carry them out.

1. Diminish the scope of products in which state-monopoly purchase and assigned purchase are carried out.

Grains, edible oil crops, cotton, and timber for unified distribution are classified as farm products of the first category, and the policy of state-monopoly purchase and marketing must continue to be implemented in these products. But beans (except for soybeans, broad beans, and peas), sesame, and tu mian do not belong to the scope of state-monopoly purchase. Assigned purchase will be carried out in 30 farm and sideline products of the second category, with the number of traditional Chinese medical herbs reduced to 18, one being added and 13 removed. Assigned purchase will be carried in the following products: fat pigs, flue-cured tobacco, sugarcane, cane sugar, tea, fennel, silkworm cocoons, natural silk, cattle hide, sheepskin, skins of wild animals, wool, tung oil, mink, pine nuts, and rubber, as well as fresh chickens, fresh eggs, fine quality fruits of the principal producing areas, and vegetables of professional teams of industrial and mining areas in cities. No localities are permitted to expand the scope of the products in which state-monopoly purchase and assigned purchase must be carried out.

2. Fix a reasonable purchasing base.

With regards to grains, edible oil crops, fat pigs, sugarcane, and cane sugar, the existing purchasing base, proportion between purchase and retention, and methods must be carried out. But a proportional base must be adhered to in the purchase of cotton and tung oil. As for brown sugar produced by commune- and brigade-run factories, 60 percent of the actual total output will be purchased by the state and the remaining can either be sold to the state at a negotiated price or handled at the discretion of the factories.

3. Carry out open trade, permit business operations in diverse channels.

Except for cotton, timber, flue-cured tobacco, and Chinese medical herbs of the second category, farm and sideline products after the task of state-monopoly purchase and assigned purchase have been fulfilled and those farm and sideline products which do not belong to the scope of state-monopoly purchase and assigned purchase are allowed to be traded by state-run commerce, supply and marketing cooperatives, other cooperative commerce, licensed individual traders, and peasants, in diverse channels. They are allowed to be marketed in towns, cities, other counties, and other provinces, free from restrictions of different administrative areas and long distances. All persons, whether engaging in transporting goods for sale all the year round or only in one or two seasons, must apply for registration with local industrial and commercial departments, obtain business licenses or temporary permits, and pay taxes according to relevant regulations.

Flour mills, bean mills, and oil mills in rural areas may purchase grains and oil crops of their own accord and process them into products for sale. Institutions, army units, organizations, schools, and enterprises may purchase grains and other farm and sideline products for their own use, but are not permitted to transport them for sale.

4. Bring into full play the role of state-run and cooperative commerces as a main channel in the circulation of commodities in cities and rural areas.

On the basis of doing well in purchasing main commodities, state-run commerce and supply and marketing cooperatives must take an active part in market regulation, carry out the business of negotiated purchase and sale, change business style, and reduce circulation links. Retail shops in cities and catering business units may go directly to producing areas to obtain an ample supply of goods. They may purchase goods from purchasing departments of grass-roots units and sign supply and marketing contracts with producers and transporters. Supply and marketing cooperatives may wholesale their farm and sideline products by establishing selling points in cities.

The opinions of the Provincial Economic Commission and the Provincial Commerce Department approved and communicated by the Provincial People's Government on readjusting the policies concerning the purchasing and marketing of farm and sideline products finally pointed out: Readjusting the policies on the purchasing and marketing of farm and sideline products is for the purpose of enlivening circulation channels and developing production. State-run commerce and supply and marketing cooperatives must not relax their efforts to carry out business because of the diminishing of the scope of the products in which the state-monopoly purchase and assigned purchase must be carried out. Instead, they must continue to expand their business of purchasing and marketing, and increase the variety of goods. We absolutely cannot adopt a simple method of stopping or limiting the purchasing of less marketable goods, but must vigorously seek markets and help producers to upgrade their products, and make them more competitive.

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